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DEPARTMENT OF DEFENSE

Office of the Secretary

TRICARE, Formerly Known as the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS); Fiscal Year 2016 Mental Health Rate Updates

AGENCY: Department of Defense.

ACTION: Notice of Updated Mental Health Rates for Fiscal Year 2016.

SUMMARY: This notice provides the updated regional per-diem rates for low-volume mental health providers; the update factor for hospital-specific per-diems; the updated cap per-diem for high-volume providers; the beneficiary per-diem cost-share amount for low-volume providers; and, the updated per-diem rates for both full-day and half-day TRICARE Partial Hospitalization Programs for Fiscal Year 2016.

DATES: Effective Date: The Fiscal Year 2016 rates contained in this notice are effective for services on or after October 1, 2015.

ADDRESSES: Defense Health Agency (DHA), Medical Benefits and Reimbursement Section, 16401 East Centretex Parkway, Aurora, CO 80011-9066.

FOR FURTHER INFORMATION CONTACT: Elan Green, Medical Benefits and Reimbursement Section, DHA, telephone (303) 676-3907.

SUPPLEMENTARY INFORMATION: The final rule published in the Federal Register (FR) on September 6, 1988 (53 FR 34285) set forth reimbursement changes that were effective for all inpatient hospital admissions in psychiatric hospitals and exempt psychiatric units occurring on

or after January 1, 1989. The final rule published in the Federal Register on July 1, 1993 (58 FR 35-400) set forth maximum per-diem rates for all partial hospitalization admissions on or after September 29, 1993. Included in these final rules were provisions for updating reimbursement rates for each federal Fiscal Year. As stated in the final rules, each per-diem shall be updated by the Medicare update factor for hospitals and units exempt from the Medicare Prospective Payment System (i.e., this is the same update factor used for the inpatient prospective payment system). For Fiscal Year 2016, the market basket rate is 2.4 percent. This year, Medicare applied two reductions to its market basket amount: (1) a 0.5 percent reduction for economy-wide productivity required by section 3401(a) of the Patient Protection and Affordable Care Act (PPACA) which amended section 1886(b)(3)(B) of the Social Security Act, and (2) a 0.2 percent point adjustment as required by section 1886(b)(3)(B)(xii) of the Act as added and amended by sections 3401 and 10319(a) of the PPACA. These two reductions do not apply to TRICARE. Hospitals and units with hospital-specific rates (hospitals and units with high TRICARE volume) and regional-specific rates for psychiatric hospitals and units with low TRICARE volume will have their TRICARE rates for Fiscal Year 2016 updated by 2.4 percent.

Partial hospitalization rates for full-day programs also will be updated by 2.4 percent for Fiscal Year 2016. Partial hospitalization rates for programs of less than 6 hours (with a minimum of three hours) will be paid a per diem rate of 75 percent of the rate for a full-day program.

The cap amount for high-volume hospitals and units also will be updated by the 2.4 percent for Fiscal Year 2016.

The beneficiary cost share for low-volume hospitals and units also will be updated by the 2.4 percent for Fiscal Year 2016.

Per Title 32 Code of Federal Regulations (CFR), Part 199.14, the same area wage indexes used for the CHAMPUS Diagnosis-Related Group (DRG)-based payment system shall be applied to the wage portion of the applicable regional per-diem for each day of the admission. The wage portion shall be the same as that used for the CHAMPUS DRG-based payment system. For wage index values greater than 1.0, the wage portion of the regional rate subject to the area wage adjustment is 69.6 percent for Fiscal Year 2016. For wage index values less than or equal to 1.0, the wage portion of the regional rate subject to the area wage adjustment is 62.0 percent.

Additionally, 32 CFR part 199.14 requires that hospital specific and regional per-diems shall be updated by the Medicare update factor for hospitals and units exempt from the Medicare prospective payment system.

The following reflect an update of 2.4 percent for Fiscal Year 2016.

**REGIONAL-SPECIFIC RATES FOR PSYCHIATRIC HOSPITALS AND UNITS
WITH LOW TRICARE VOLUME FOR FISCAL YEAR 2016**

United States Census Region	Regional Rate
Northeast:	
New England.....	\$ 871
Mid-Atlantic.....	\$ 840
Midwest:	
East North Central.....	\$ 726
West North Central.....	\$ 685
South:	
South Atlantic.....	\$ 864
East South Central.....	\$ 924
West South Central.....	\$ 787
West:	
Mountain.....	\$ 786
Pacific.....	\$ 930
Puerto Rico.....	\$ 593

Beneficiary cost-share: Beneficiary cost-share (other than dependents of Active Duty members) for care paid on the basis of a regional per-diem rate is the lower of \$229 per day or 25

percent of the hospital billed charges effective for services rendered on or after October 1, 2015.

Cap Amount: Updated cap amount for hospitals and units with high TRICARE volume is

\$1,096 per day for services on or after October 1, 2015.

The following reflects an update of 2.4 percent for Fiscal Year 2016 for the full day partial hospitalization rates. Partial hospitalization rates for programs of less than 6 hours (with a minimum of three hours) will be paid a per diem rate of 75 percent of the rate for a full-day program.

PARTIAL HOSPITALIZATION RATES FOR
FULL-DAY AND HALF-DAY PROGRAMS
[Fiscal year 2016]

	Full-day rate	Half-day
rate United States Census Region (hours)	(6 hours or more)	(3–5 hours)
Northeast:		
New England (Maine, N.H., Vt., Mass., R.I., Conn.).....	\$349	\$262
Mid-Atlantic:		
(N.Y., N.J., Penn.).....	\$380	\$285
Midwest:		
East North Central (Ohio, Ind., Ill., Mich., Wis.).....	\$335	\$251
West North Central:		
(Minn., Iowa, Mo., N.D., S.D., Neb., Kan.).....	\$335	\$251
South:		
South Atlantic (Del., Md., D.C., Va., W.Va., N.C., S.C., Ga., Fla.)...	\$357	\$268
East South Central:		
(Ky., Tenn., Ala., Miss.).....	\$388	\$291
West South Central:		
(Ark., La., Texas, Okla.).....	\$388	\$291
West:		
Mountain (Mon., Idaho, Wyo., Col., N.M., Ariz., Utah, Nev.).....	\$391	\$293
Pacific (Wash., Ore., Calif., Alaska, Hawaii).....	\$385	\$289
Puerto Rico.....	\$250	\$188

The above rates are effective for services rendered on or after October 1, 2015.

Dated: October 21, 2015.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.

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